

RECEIVED AND FILED

01 MAY 14 PM 6:12

U.S. BANKRUPTCY COURT
PATRICIA GRAY, CLERK

FILED MAY 15 2001

Jennifer A. Smith (State Bar No. 610)
Etta L. Walker (State Bar No. 5537)
LIONEL SAWYER & COLLINS
1100 Bank of America Plaza
50 W. Liberty St.
Reno, Nevada 89501
(775) 788-8666

David S. Kurtz
Timothy R. Pohl
SKADDEN, ARPS, SLATE, MEAGHER
& FLOM (ILLINOIS)
333 West Wacker Drive
Chicago, Illinois 60606
(312) 407-0700

Gregg M. Galardi
Eric M. Davis
SKADDEN, ARPS, SLATE, MEAGHER
& FLOM LLP
One Rodney Square
Wilmington, Delaware 19899
(302) 651-3000

Attorneys for the Debtors and
Debtors-in-Possession

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF NEVADA

In re
WASHINGTON GROUP
INTERNATIONAL, INC., et al.,

Case No. BK-N-01-31627
Chapter 11

Debtors.

ORDER (A) CONFIRMING GRANT OF ADMINISTRATIVE EXPENSE STATUS TO OBLIGATIONS ARISING FROM POST-PETITION DELIVERY OF GOODS, (B) ESTABLISHING AUTHORITY TO PAY CERTAIN EXPENSES IN THE ORDINARY COURSE OF BUSINESS, (C) AUTHORIZING THE DEBTOR TO RETURN GOODS PURSUANT TO § 546 (g)* OF THE BANKRUPTCY CODE, (D) PROVIDING FOR ADMINISTRATIVE EXPENSE TREATMENT FOR CERTAIN HOLDERS OF VALID RECLAMATION CLAIMS AND (E) PROHIBITING THIRD PARTIES FROM INTERFERING WITH THE DEBTORS' DELIVERY OF GOODS

Hearing Date: May 14, 2001
Hearing Time: 1:00 p.m.

1
2
3 Upon the motion, dated May 13, 2001 (the "Motion"),¹ of
4 the above-captioned debtors and debtors-in-possession (collec-
5 tively, the "Debtors"), for an order under 11 U.S.C. §§ 105(a),
6 503(b), 546(c) and 546(g)* (i) confirming the grant of adminis-
7 trative expense status to obligations arising from postpetition
8 delivery of goods, (ii) authorizing the Debtors to return goods
9 to vendors pursuant to 11 U.S.C. § 546(g)* (as defined below),
10 (iii) providing for administrative expense treatment for certain
11 holders of valid reclamation claims and (iv) prohibiting third
12 parties from interfering with the delivery of goods to the
13 Debtors; and upon the Affidavit of Stephen G. Hanks in Support of
14 Chapter 11 Petitions and First-Day Orders sworn to on May 13,
15 2001; and this Court having determined that granting the relief
16 requested in the Motion is in the best interests of the Debtors,
17 their estates and creditors; and upon the record herein; and
18 after due deliberation thereon; and good and sufficient cause
19 appearing therefor, it is hereby

20 ORDERED, ADJUDGED AND DECREED THAT:

21 1. The Motion is GRANTED.

22 2. The Vendors shall have administrative expense
23 claims with priority under Bankruptcy Code section 503(b) for
24 those undisputed obligations arising from outstanding orders
25 relating to shipments of Goods received and accepted by the
26 Debtors after the Petition Date.

27 ¹ All capitalized terms not otherwise defined herein
28 shall have the meanings ascribed to them in the
Motion.

1
2
3 3. The Debtors are authorized to pay their undisputed
4 obligations arising from the postpetition shipment or delivery of
5 Goods by the Vendors pursuant to their customary practice in the
6 ordinary course prior to the commencement of these chapter 11
7 cases.

8 4. The Debtors are hereby authorized in accordance
9 with Bankruptcy Code section 546(g)* to return to creditors Goods
10 that were delivered prepetition.

11 5. Vendors are hereby granted an administrative
12 expense claim against a Debtor for the value of Goods received
13 and accepted by such Debtor, if and to the extent that the Vendor
14 has a valid reclamation claim for such Goods in accordance with
15 Bankruptcy Code section 546(c) and/or UCC section 2-702, but only
16 to the extent that such Vendor proves the validity of its demand
17 and the amount of its reclamation claim, which reclamation claim
18 the Debtors may pay in the ordinary course of business. Nothing
19 in this paragraph shall preclude a Vendor from seeking a lien in
20 lieu of an administrative expense for a valid reclamation claim
21 or the Debtors (or any other party) from objecting to such
22 request.


23 6. In accordance with Bankruptcy Code sections 105
24 and 362, Vendors and all other third parties are prohibited from
25 reclaiming or interfering in any way with the postpetition
26 shipment or delivery of Goods to the Debtors without first
27 obtaining relief from this Order.

28

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

7. This Order is without prejudice to the Debtors' right to file a motion establishing a procedure for determining the validity of reclamation claims.

Dated: Reno, Nevada
May 14, 2001


Hon. Gregg W. Zive
UNITED STATES BANKRUPTCY JUDGE